Financial Operations Division

ARMY AUDIT AGENCY

ARMY MANAGEMENT CONTROL PROCESS (MCP)

USAAA ANNUAL REVIEW RESULTS FOR FY 03

ARMY MANAGEMENT CONTROL CONFERENCE

May 2004

ANNUAL REVIEW

MANAGEMENT CONTROLS

WHY WE DO IT:

- TO SUPPORT SECARMY ANNUAL REPORT ON MANAGEMENT CONTROLS
  - SUBMITTED TO DOD
  - USAAA REPORT INCLUDED AS AN ENCLOSURE
- TO ENSURE THE ARMY COMPLIES WITH THE LETTER AND SPIRIT OF FMFIA

Sites Reviewed – FY 03

MANAGEMENT CONTROLS

HQDA

DCS, G-1
DCS, G-3
Administrative Assistant to Sec Army

MACOMS & Activities

TRADOC
- Infantry Center, Ft Benning
- Signal Center, Ft Gordon
- Intelligence Center, Ft Huachuca

REVIEW OBJECTIVES

MANAGEMENT CONTROLS

- DID THE ARMY HAVE REASONABLE SUPPORT FOR ITS FY 03 ANNUAL ASSURANCE STATEMENT?
- DID THE ARMY IDENTIFY AND CORRECT OR PROMPTLY SCHEDULE FOR CORRECTION, MATERIAL MANAGEMENT CONTROL WEAKNESSES?
- HAVE DA FUNCTIONAL PROPONENTS IDENTIFIED AND PUBLISHED KEY MANAGEMENT CONTROLS IN THEIR REGULATIONS?

FOCUS AREAS AT SITES

MANAGEMENT CONTROLS

WE USED ASA(FMC) ASSESSMENT CRITERIA TO CONDUCT REVIEW:

- LEADERSHIP EMPHASIS
- EDUCATION/TRAINING
- PROCESS EXECUTION
- IDENTIFYING, REPORTING & CORRECTING MATERIAL WEAKNESSES.

REVIEW APPROACH

MANAGEMENT CONTROLS

TO CONDUCT THE REVIEW, WE

- SEND LIST OF REQUESTED MATERIALS AND INTERVIEW QUESTIONS TO IR TO FORWARD TO COMMAND, PRIOR TO ENTRANCE
- ENTER WITH COMMAND (PLAN FOR 1-2 WEEKS OF WORK ON SITE)
- SELECT 3 TO 5 ASSESSABLE UNITS TO INCLUDE IN REVIEW – INTERVIEW MANAGERS, GATHER REQUESTED MATERIALS
- APPLY ASSESSMENT CRITERIA
- ENSURE THAT FACTS IN COMMAND ANNUAL ASSURANCE STATEMENT AND ACTIVITY FEEDERS ARE SUPPORTED
- EXIT WITH COMMAND – PROVIDE RESULTS/CONCLUSIONS IN OUTBRIEF
- ISSUE FORMAL AUDIT REPORT

FY 03 REVIEW RESULTS

MANAGEMENT CONTROLS

- OVERALL – ARMY & SITES MET CRITERIA
  - ISSUED 8 REPORTS
    - 1 - AUDIT REPORT TO ACCOMPANY SEC ARMY STATEMENT
    - 6 - REPORTS FOR SITES WITH MCPs THAT MET O'ALL; SOME HAVE SUGGESTIONS FOR IMPROVEMENT – NO OFFICIAL REPLY
    - 1 - FINDING REPORT FOR SITE THAT NEEDED SIGNIFICANT IMPROVEMENTS – OFFICIAL REPLY REQUIRED
- AREAS FOR IMPROVEMENT
  - DOCUMENTATION SUPPORTING MCP TRAINING TAKEN
  - MANAGEMENT CONTROLS IN PERFORMANCE AGREEMENTS
  - NOTING TESTING METHODS AND CONCLUSIONS IN REMARKS SECTION OF 11-2-Rs

MATERIAL WEAKNESSES

MANAGEMENT CONTROLS

- GENERALLY PROCESSES IN PLACE TO IDENTIFY AND CORRECT
- MOST APPEARED TO BE EVALUATED TO DETERMINE WHETHER THEY SHOULD BE REPORTED UP
- FY 04 REVIEW APPROACH WILL FOCUS ON
  - EVALUATION FOR HIGHER LEVEL REPORTING
  - WRITE-UPS FOR UNCORRECTED WEAKNESSES (DOES THE WRITE-UP SAY WHY IT SLIPPED)
  - PROCESS FOR TRACKING
  - PROCESS FOR CLOSE-OUT

CONTROLS IN REGULATIONS

MANAGEMENT CONTROLS

- OBJECTIVE USED AT HQDA ACTIVITIES ONLY
- PROPONENTS REGULATIONS APPROPRIATELY ADDRESSED MANAGEMENT CONTROLS
  - “This regulation contains management control provisions, but does not identify key management controls that must be evaluated.”
  - “This regulation contains management control provisions and identifies key management controls that must be evaluated.”
  - “This regulation does not contain management control provisions.”

FY 04 REVIEW

MANAGEMENT CONTROLS

- BEGINS EARLY JUNE 2004
  - CONTINUES CYCLIC APPROACH FOR COMMAND SELECTION (COMMANDS REVIEWED EVERY 3-5 YEARS)
  - SAME OBJECTIVES AS FY 03

- SITES:

HQDA:

G4 (DCSLOG)
G6 (CIO)
Judge Advocate General
Chaplain
HQs, IMA

*ARMY MATERIEL COMMAND:

Tank and Automotive Command
Corpus Christi Army Depot
Tooele Army Depot
Chemical Materials Agency

* AMC Sites may change after Command Entrance

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MANAGEMENT CONTROLS